

# Illinois Central Gulf Railroad

an IC Industries Company

233 North Michigan Avenue  
Chicago Illinois 60601  
Telephone 312 565 1600

John W Falvey  
General Attorney

February 15, 1977

Honorable Robert L. Oswald  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

8703  
RECORDATION NO. .... Filed & Recorded  
FEB 18 1977 3 12 PM  
INTERSTATE COMMERCE COMMISSION

Re: Illinois Central Gulf Railroad Company  
Equipment Lease.

Dear Sir:

Pursuant to the provisions of Section 20(c) of the Interstate Commerce Act, as amended, and the regulations of the Interstate Commerce Commission promulgated thereunder, there are herewith transmitted for filing and recording four (4) counterparts of an Equipment Lease dated February 10, 1977 between Pullman Incorporated (Lessor) and Illinois Central Gulf Railroad Company (Lessee).

A draft payable to the order of the Interstate Commerce Commission for the recording fee applicable to this filing is enclosed herewith.

This Lease is an interim measure until finalization of an Equipment Trust and Applicant will apply for authority to assume obligation and liability as Lessee and Guarantor in respect of the certificates to be issued under this Equipment Trust.

The equipment covered by the Lease is 400 one hundred ton covered hopper cars, 4750 cubic foot capacity, numbered ICG 766300-766399 (both inclusive).

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CC Washington, D. C.

RECEIVED  
FEB 18 3 03 PM '77  
I.C.C.  
FEE OPERATION BR.

*Handwritten signatures and initials on the left margin, including "W. H. Rhodes" and "C. J. ..."*

- 2 -

It is respectfully requested that all counterparts not needed for the Commission's files be returned to the bearer of this letter with the Commission's recordation stamp shown thereon.

Very truly yours,

ILLINOIS CENTRAL GULF RAILROAD  
COMPANY

By John W. Falvey

**Interstate Commerce Commission**  
**Washington, D.C. 20423**

2/18/77

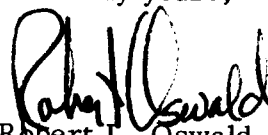
OFFICE OF THE SECRETARY

John W. Falvey  
Illinois Central Gulf RR.  
233 North Michigan Avenue  
Chicago, Illinois 60601

Dear Sir:

The enclosed document(s) was recorded pursuant to the  
provisions of Section 20(c) of the Interstate Commerce Act,  
49 U.S.C. 20(c), on 2/18/77 at 3:10pm ,  
and assigned recordation number(s) 8703

Sincerely yours,



Robert L. Oswald  
Secretary

Enclosure(s)

SE-30  
(5/76)

6700  
FEB 1 1977-8 10:00  
COMMERCIAL TRADING COMPANY

LEASE AGREEMENT

THIS AGREEMENT made this 10th day of February, 1977, by and between PULLMAN INCORPORATED (Pullman Standard Division), (hereinafter called the "Manufacturer"), and ILLINOIS CENTRAL GULF RAILROAD COMPANY, (hereinafter called the "Railroad")

W I T N E S S E T H:

The Manufacturer and the Railroad heretofore entered into a Purchase Agreement dated February 1, 1977 (Manufacturer's Lot 9936) whereunder the Railroad agreed to accept and pay for the following railroad equipment, (hereinafter called the "Cars"):

400 - 100 Ton Covered Hopper Cars,  
4,750 Cubic Foot Capacity,  
numbered ICG 766300 - 766699,  
both inclusive.

Purchase Agreement is by reference made a part of this Agreement as fully as though expressly set forth herein.

Delivery of the Cars is scheduled to begin on or about February 21, 1977. However, inasmuch as the Railroad has not as yet consummated financing arrangements, it is not in position to accept delivery of and pay for the Cars under the terms of the Purchase Agreement at this time. The Railroad represents that such financing arrangements will be consummated, however, on or before May 31, 1977. The Railroad (in order that it may use the Cars pending completion

of the above financing arrangements) has arranged with the Manufacturer to give it temporary custody and possession of the Cars upon their completion, solely as a lessee of such Cars, and the Manufacturer is willing to do so upon the terms and conditions hereinafter stated.

For the use and rental of each Car, the Railroad agrees to pay the Manufacturer \$6.07 per day per Car for the period such rental shall be payable with respect to each Car. Rental of each Car shall not commence until 20 days after delivery of each Car to the Railroad under the terms of this Agreement and shall cease on the day of termination. The Termination Date shall be such date when the railroad's financing arrangements have been concluded and payment of the purchase price has been rendered to the Manufacturer; provided, however, that such Termination Date shall be no later than May 31, 1977.

The rental on each Car shall be due and payable to the Manufacturer in cash upon termination of this Agreement as to such car.

After Railroad's representative finds that each Car upon completion has been built in accordance with the requirements of the Purchase Agreement, he will execute and deliver to the Manufacturer at its plant a Certificate of Inspection and Acceptance in the form annexed hereto as Exhibit A, certifying to that effect. Title to the Cars shall remain in the Manufacturer and the Railroad's right

and interest therein is and shall be solely that of possession, custody and use as lessee under this Agreement. Transfer of title shall be effected only at the time of delivery of the bills of sale. The Manufacturer agrees not to claim, for Federal income tax purposes, either depreciation or investment tax credit on the Cars.

The Railroad, without expense to the Manufacturer, will promptly cause this Agreement to be filed with the Interstate Commerce Commission for recordation under Section 20c of the Interstate Commerce Act. In addition, the Railroad shall do such other acts as may be required by law, or reasonably requested by the Manufacturer, for the protection of the Manufacturer's title to and interest in the Cars.

The Railroad agrees that it will permit no liens of any kind to attach to the Cars; and that it will

(a) indemnify and save harmless the Manufacturer from any and all claims, expenses or liabilities of whatsoever kind; and

(b) pay any and all taxes, fines, charges and penalties

that may accrue or be assessed or imposed upon the Cars of the Manufacturer because of its ownership or because of the use, operation, management or handling of the Cars by the Railroad during the term of this lease. The railroad's obligations contained in this paragraph shall cover any such obligations that may accrue or be assessed or imposed during the term of this agreement. The foregoing item (a) shall not apply to any claim, expense or liability which results

from a condition of manufacture of any car or from the acts or omissions of the Manufacturer; its employees, or agents.

The Railroad will, at its own expense, keep and maintain the Cars in good order and running condition and will at its option repair or replace or promptly pay to Manufacturer the purchase price in cash of those Cars which may be damaged or destroyed by any cause (except when caused by the Manufacturer) during the term of this Agreement. If payment is made in cash for a damaged or destroyed Car as aforesaid, an appropriate reduction shall be made in the purchase price of the Cars.

Prior to the delivery of each Car to the Railroad, it will be numbered with a car number as hereinbefore indicated, and there shall be plainly, distinctly, permanently, and conspicuously placed and fastened upon each side of each Car a metal plate bearing the following legend, or shall be otherwise plainly, distinctly, permanently, and conspicuously marked on each side of each Car, in either case in letters not less than one-half inch in height:

OWNED BY A BANK OR TRUST COMPANY UNDER A SECURITY  
AGREEMENT FILED UNDER THE INTERSTATE COMMERCE ACT  
SECTION 20c.

The Railroad hereby agrees to indemnify the Manufacturer against any liability, loss or expense incurred by it as a result of the placing and fastening of the aforementioned plates or markings on said Cars.

In case, during the continuance of this Agreement, such

name plate or mark shall at any time be removed, defaced or destroyed on any Car, the Railroad shall immediately cause the same to be restored or replaced.

All or any of the rights, benefits or advantages of the Manufacturer, including the right to receive payment of the rental provided for herein, or the right to receive the purchase price of the Cars as provided in the Purchase Agreement, may be assigned by Manufacturer and reassigned by any assignee at any time or from time to time, provided, however, that no such assignment shall subject any such assignee to any of Manufacturer's guarantees, warranties, indemnities, or any other obligations contained in this Agreement or in the Purchase Agreement relating to the Cars. In the event Manufacturer assigns its rights to receive the payments herein and/or under the Purchase Agreement, and the Railroad receives written notice thereof from the Manufacturer, together with a counterpart of such assignment stating the identity and the post office address of the assignee, all payments thereafter to be made by the Railroad under this Agreement or under the Purchase Agreement shall, to the extent so assigned, be made to the assignee against proper receipt therefore in form satisfactory to the Railroad.

In the event of any assignment of the Manufacturer of its rights to receive any payments under this Agreement or under the Purchase Agreement, the rights of such assignee to such payments as



may be assigned together with any other rights hereunder which can be and are so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever arising out of any breach of any obligation of the Manufacturer in respect to the Cars, nor subject to any defense, set-off, counterclaim or recoupment whatsoever arising by reason of any other indebtedness or liability at any time owing to the Railroad by the Manufacturer. Any and all such obligations, howsoever arising, shall be and remain enforceable by the Railroad, its successors and assigns, only against the Manufacturer and its successors and assigns (other than assignees as such of rights, benefits or advantages assigned pursuant to this Agreement).

The Railroad agrees with the Manufacturer that the execution by the Manufacturer of this Agreement or the delivery by the Manufacturer to the Railroad of the Cars, as contemplated by this Agreement, shall not relieve the Railroad of its obligations to accept, take and pay for the Cars in accordance with the terms of the Purchase Agreement, or impair any of the Manufacturer's rights under the Purchase Agreement.

ATTEST:

William O. O'Leary  
Assistant Secretary

ATTEST:

R. L. Hiss  
Assistant Secretary

PULLMAN INCORPORATED  
(Pullman Standard Division)

By Stanley J. Brown  
Vice President - Freight Unit

ILLINOIS CENTRAL GULF RAILWAY  
COMPANY

By D. E. Honan  
Vice President

STATE OF ILLINOIS     )  
                              )   SS  
COUNTY OF COOK        )

On this *11th* day of *February*, 1977,  
before me personally appeared *Stanley Brown* to me  
personally known, who, being by me duly sworn, says that he is a  
Vice President - Freight Unit of Pullman Incorporated (Pullman  
Standard Division), that the seal affixed to the foregoing instrument  
is the corporate seal of said corporation, that said instrument was  
signed and sealed on behalf of said corporation by authority of its  
Board of Directors and he acknowledged that the execution of the  
foregoing instrument was the free act and deed of said corporation.

*Sharon L. Olson*  
Notary Public

My commission expires: *August 3, 1980*

[SEAL]

STATE OF ILLINOIS     )  
                              )   SS  
COUNTY OF COOK        )

On this 14TH day of FEBRUARY, 1977,  
before me personally appeared G.E. KONKER to me  
personally known, who, being by me duly sworn, says that he is a  
VICE PRESIDENT of Illinois Central Gulf Railroad  
Company, that the seal affixed to the foregoing instrument is  
the corporate seal of said corporation, that said instrument was  
signed and sealed on behalf of said corporation by authority of  
its Board of Directors and he acknowledged that the execution of  
the foregoing instrument was the free act and deed of said  
corporation.

Robert H. Hughes  
Notary Public

My Commission Expires: NOV 23 1980

(SEAL)